

## Chapter 13. Maintenance of Competency; Continuing Professional Education (CPE)

### §1301. Basic Requirements

A. Each certificate holder shall participate in a minimum of 20 hours of continuing professional education (CPE) annually, and at least 80 hours of continuing professional education (CPE) within a rolling two-calendar-year period defined as the compliance period in §1301.F.1. Prior to January 1, 2016, each certificate holder shall participate in at least 120 hours of continuing professional education (CPE) every three years.

1. Accounting and Auditing Requirements. Certificate holders who participate in one or more attest engagements during the calendar year shall complete at least 8 hours during the calendar year in the subject area described in §1307.A.1 in fulfilling the above requirements. Certificate holders participating in attest engagements include those responsible for conducting substantial portions of the procedures and those responsible for planning, directing, or reporting on attest engagements. Persons who “plan, direct, and report” generally include the in-charge accountant, the supervisor or manager, and the firm owner who signs or authorizes someone to sign the attest engagement report on behalf of the firm.

2. Professional Ethics Requirements. All certificate holders who are required to complete CPE shall complete a course in professional ethics as required by the board, the contents of which must have been pre-approved by the board.

3. Personal Development Limitations. Personal development hours in excess of 20 hours during a calendar year will be disallowed and cannot be used for CPE credit. Prior to January 1, 2016, personal development hours cannot exceed 50 percent of the total qualifying CPE.

4. Reporting Method. Each certificate holder shall, when applying for certificate renewal, report CPE information in the manner approved by the board.

5. Reporting. The CPE must be reported to the board no later than January 31 after the end of each December 31 calendar year. Prior to February 1, 2016, the CPE must be reported to the board no later than January 31 after the end of the December 31 compliance period.

B. Exemption. The board may grant an exemption from CPE in accordance with R.S. 37:76(D)(2). In order to be granted an exemption, the certificate holder must register in inactive or retired status and follow the provisions of §1707.B.

C. An individual who held a license on June 17, 1999, or was issued a certificate on or after June 18, 1999, who applies to reinstate a license after having allowed such license or certificate to lapse must present proof, documented in a form satisfactory to the board, that he has satisfied the requirements for continuing professional

education for the preceding compliance period as specified by §1301.F.

D. Extensions/Waivers. The board may at its sole discretion grant extensions of time or waivers to complete the continuing education requirements for hardship situations or for medical reasons. The hardship or incapacity must be sufficiently documented (for example, by appropriate third parties, or by medical providers in the case of a medical issue) in order for the board to consider granting an extension or waiver.

E. Effective Date for Compliance of Initial Licenses and Reinstatements

1. Any individual who obtains an initial certificate or who reinstates his license will not be required to obtain current continuing professional education until the following full calendar year, which will also start the compliance period for that individual as defined in §1301.F.

2. Prior to January 1, 2016, as to any individual who obtains an initial certificate or who reinstates his license, the effective date of these requirements shall be January 1 of the first calendar year of the then current CPE compliance period. The hours required are reduced pro rata for the then current CPE compliance period, as follows.

a. An individual initially licensed or reinstating a license during the first calendar year of the then current CPE compliance period shall have an 80 hour requirement.

b. An individual initially licensed or reinstating a license during the second calendar year of the then current CPE compliance period shall have a 40 hour requirement.

c. An individual initially licensed or reinstating a license during the third calendar year of the then current CPE compliance period shall not have any hours required.

F. Compliance Period

1. The compliance period for continuing professional education is defined as the two-year period starting January 1, 2016 and ending December 31, 2017. Subsequent compliance periods shall be defined as a rolling two-year period ending on December 31 of each year thereafter (i.e. two-year period ending on December 31, 2018 including years 2017 and 2018, then two-year period ending on December 31, 2019 including years 2018 and 2019, and so forth.)

2. Prior to January 1, 2016, the first compliance period for continuing professional education was the three-year period ended December 31, 1982, and subsequent compliance periods shall end on December 31 each third year thereafter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:71 et seq.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Board of Certified Public Accountants, LR 6:4 (January 1980), amended LR 9:208 (April 1983), amended by the Department of Economic Development, Board of Certified Public Accountants, LR 15:614 (August 1989), LR 23:1116 (September 1997), LR 26:1976 (September 2000), amended by the Office of the

## PROFESSIONAL AND OCCUPATIONAL STANDARDS

Governor, Board of Certified Public Accountants, LR 32:2249 (December 2006), LR 41:1664 (September 2015), LR 43:1905 (October 2017).

### §1303. Standards for Programs

#### A. Program Development

1. The program shall contribute directly to the professional competence of the participants.

2. The stated program objectives shall specify the level of knowledge the participant should have obtained or level of knowledge he should be able to demonstrate upon completing the program.

3. The education and/or experience prerequisites for the program should be stated.

4. Programs shall be developed by individual(s) qualified in the subject matter.

5. Program content shall be current.

6. A program shall be reviewed by an individual(s) qualified in the subject matter and knowledgeable in instructional design, other than the preparer(s).

#### B. Program Presentation

1. Participants should be informed in advance of objectives, prerequisites, experience level, content, advance preparation, teaching methods, and continuing professional education credit.

2. Instructors, lecturers or speakers should be qualified with respect to program content and teaching method used.

3. The number of participants and physical facilities should be consistent with the teaching method(s) specified.

4. Written evaluations shall be solicited from participants for each program, summarized to provide an effective means for evaluating program quality, and retained.

5. There must be a reasonable method for the CPE sponsor to monitor group programs in order to verify attendance for the duration of the program.

6. In cases of group programs that are presented online, or via the Internet, there must be a process to monitor and verify participation. Monitoring must be of sufficient frequency and lack predictability in order to verify that participants are engaged for the duration of the program. If polling questions are used as the monitoring process, at least three polling questions must be used per CPE credit hour.

7. In cases where a small group is allowed to participate in an online program, and the sponsor allows one participant to facilitate by logging in and/or to submit questions on behalf of the group of participants, the attendance must be documented and verified by the small group facilitator or administrator in order to verify participation for the duration of the program.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 37:71 et seq.

**HISTORICAL NOTE:** Promulgated by the Department of Commerce, Board of Certified Public Accountants, LR 6:5 (January 1980), amended by the Department of Economic Development, Board of Certified Public Accountants, LR 15:614 (August 1989), LR 23:1116 (September 1997), LR 26:1976 (September 2000), amended by the Office of the Governor, Board of Certified Public Accountants, LR 41:1665 (September 2015).

### §1305. Programs which Qualify

A. The overriding consideration in determining whether a specific program qualifies as acceptable continuing education is that it be a formal program of learning which contributes directly to the professional knowledge and professional competence of an individual certificate holder. Formal programs of learning are those programs that are designed, and primarily intended, as educational activities, and comply with all CPE standards. Magazines and reference materials are not designed as educational programs nor do they comply with CPE standards. Accordingly, examinations on magazine articles or reference materials will not qualify for credit unless a formal program of learning was developed in addition to the examination. CPE credit will not be allowed for programs which have content that is in violation or is not in compliance with the Act or rules of the board.

B. Continuing education programs qualify if they meet the above standards and if:

1. a written outline of the program is prepared in advance and preserved;

2. group programs are at least 50 minutes in length and self-study programs are at least 25 minutes in length; and

3. a record of registration and attendance or test results is maintained.

C. The following are deemed to be qualifying programs:

1. accredited university or college courses (see definition at §501). Credit and non-credit courses earn continuing education credit as set forth in §1309.A;

2. formal correspondence or other individual study programs designed to permit a participant to learn a given subject without major involvement of an instructor, which require registration and provide evidence of satisfactory completion as set forth in §1309.B;

3. formal group programs designed to permit a participant to learn a given subject through live interaction with an instructor and other participants either in a classroom, conference setting, or by use of the Internet or other technological methods that allow for verification of registration, interaction, and attendance during the presentation;

4. technical sessions at meetings of recognized national and state professional organizations and their chapters;

5. formal organized in-firm educational programs.

D. The board may look to recognized state or national professional organizations for assistance in interpreting the acceptability of and credit to be allowed for individual courses.

E. The responsibility for substantiating that a particular program is acceptable and meets the requirements rests solely upon the certificate holder.

F. If a certificate holder claims credit on a subject related to his practice or employment as a CPA for an education or training program which does not comply with all applicable CPE requirements, he must retain all relevant information regarding the program in order to provide documentation, in the event that the board requests it, that demonstrates that the program is equivalent to one which meets these CPE requirements. (Examples of such programs are as follows: a specialized or technical program offered through an industry sponsor; a course or training program offered by a governmental agency to various interested groups; and, a program primarily directed to another licensed profession which has its own types of continuing education.)

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:71 et seq.

HISTORICAL NOTE: Adopted by the Department of Commerce, Board of Certified Public Accountants, January 1974, promulgated LR 6:5 (January 1980), amended by the Department of Economic Development, Board of Certified Public Accountants, LR 15:614 (August 1989), LR 17:1068 (November 1991), LR 23:1116 (September 1997), LR 26:1977 (September 2000), amended by the Office of the Governor, Board of Certified Public Accountants, LR 34:2561 (December 2008), LR 41:1665 (September 2015).

### **§1307. Subjects which Qualify**

A. The following general subject matters are acceptable as long as they contribute to the professional knowledge and professional competence of the individual certificate holder and are relevant to the services rendered or to be rendered by the individual certificate holder in public practice, industry, academia or government.

1. Accounting and Auditing. This field of study includes accounting and financial reporting subjects, pronouncements of authoritative accounting principles issued by the standard-setting bodies and any other related subject generally classified within the accounting discipline. It also includes auditing subjects related to the examination of financial statements, operations systems, and programs; the review of internal and management controls; the reporting on the results of audit findings; compilations, reviews, and preparations. It also includes assurance services that relate to standards for attest engagements.

2. Consulting. This field of study deals with all advisory services provided by professional accountants. Services provided that encompass those for management such as designing, implementing, and evaluating operating systems for organizations as well as business advisory services and personal financial planning. The systems include those dealing with planning, organizing and controlling any phase of individual financial activity or

business activity. Subjects may include designing and implementing a computer system to process the financial and management operations of a business; litigation support services and the related fields of law; personal financial planning services; investment planning for individuals or organizations; and management advisory services. This Subsection is primarily for consultants in public practice; however, internal consultants employed by a business entity providing advisory services within the entity may also use these subjects.

3. Taxation. This field of study includes subjects dealing with tax compliance and tax planning. Compliance covers tax return preparation and review and IRS examinations, ruling requests, and protests. Tax planning focuses on applying tax rules to prospective transactions and understanding the tax implications of unusual or complex transactions. Recognizing alternative tax treatments and advising on tax saving opportunities are also part of tax planning.

4. Management. This field of study considers the management needs of individuals in public practice, industry, and government. Acceptable subjects for individuals in public practice concentrate on the practice management area, such as organizational structures, marketing services, and administrative practices. For individuals in industry or government, there are subjects dealing with the financial management of the organization, including information systems, budgeting, asset management, as well as buying and selling businesses, contracting for goods and services, cost analysis and foreign operations. In general, the emphasis in this field is on the specific management needs of certificate holder's and not on general management skills.

5. Specialized Knowledge and Applications. This field of study treats subjects targeted to specialized industries, such as not-for-profit organizations, health care, oil and gas. An industry is specialized if it is unusual in one or more of the following ways: form of organization, economic structure, legislation of regulatory requirements, marketing or distribution, terminology, technology; and either employs unique accounting principles and practices, encounters unique tax problems, requires unique advisory services, or faces unique audit issues. This area applies to certificate holders in the three employment areas, i.e., public practice, industry, and government. A certificate holder would use this classification for courses not already reportable under categories listed in §1307.A.1-4, such as Medicare cost reporting or rate regulations in the telephone and utility industry.

6. Personal Development. Personal Development is the field of study which includes self-management and self-improvement both inside and outside of the business environment. It includes issues of quality of life, interpersonal relationships, self-assessment, and personal improvement. Personal Development courses are intended to be more of a self-improvement category, as compared to courses that are directly related to the certificate holder's job duties or job requirements. Courses above the basic skill

level that otherwise might qualify as Personal Development courses may be claimed in the management area or the consulting area if they relate to the certificate holder's job duties or job requirements.

7. Professional Ethics. Professional Ethics includes the study of the codes of professional ethics applicable to all CPA registrants and their effect on business decisions.

**B. Special Rules**

1. For purposes of categorizing courses, a course may be categorized in its entirety based on the majority of its content.

2. Courses which have product or service sales as their underlying content shall not qualify for CPE credit.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 37:71 et seq.

**HISTORICAL NOTE:** Adopted by the Department of Commerce, Board of Certified Public Accountants, January 1974, promulgated LR 6:5 (January 1980), amended by the Department of Economic Development, Board of Certified Public Accountants, LR 15:615 (August 1989), LR 23:1117 (September 1997), LR 26:1977 (September 2000), amended by the Office of the Governor, Board of Certified Public Accountants, LR 41:1665 (September 2015).

**§1309. Credit Hours Granted**

**A. Class Hours**

1. Only class hours or the equivalent (and not student hours devoted to preparation) will be counted.

2. Continuing education credit will be given with a minimum of 50 minutes constituting one hour. For continuous conferences, conventions and other programs when individual segments are less than 50 minutes, the sum of the segments will be considered equal to one total program. Under the following conditions, one-half credits (equal to 25 minutes each) may be permitted:

a. for group programs, after at least one 50-minute hour credit has been earned, half credits (of 25 minutes) are permitted;

b. for self-study programs, half credits (of 25 minutes) are permitted.

3. When the total minutes of the total program are greater than 50, but not equally divisible by 50, the CPE credits granted must be rounded down to the nearest one-half credit. (For example, CPE with segments totaling 140 minutes would be granted two and one-half CPE credits.)

4. Credit courses at accredited universities or colleges shall earn 15 hours of continuing education for each semester hour of credit. A quarter hour credit shall equal 10 hours.

5. Continuing education credit allowable for noncredit short courses at accredited universities or colleges shall equal time in class in accordance with §1309.A.2.

**B. Self-Study Program.** The amount of credit to be allowed for correspondence and formal self-study programs

is to be recommended by the program developer, and based on one of the methods identified in the statement on standards for continuing professional education (CPE) programs. Credit will be allowed in the period in which the course is completed as indicated on the certificate of completion.

1. Interactive self-study programs shall receive CPE credit provided the course satisfies the following criteria:

a. An interactive self-study program is one which simulates a classroom learning process by providing ongoing responses and evaluation to the learner regarding his or her learning progress. These programs guide the learner through the learning process by:

i. requiring frequent student response to questions that test for understanding of the material presented;

ii. providing evaluative responses and comments to incorrectly answered questions; and

iii. providing reinforcement responses and comments to correctly answered questions.

b. Ongoing responses, comments, and evaluations communicate the appropriateness of a learner's response to a prompt or question. Such responses, comments, and evaluations must be frequent and provide guidance or direction for continued learning throughout the program by clarifying or explaining assessment of inappropriate responses, providing reinforcement for appropriate responses, and directing the learner to move ahead or review relevant material. It is the response of the learner that primarily guides the learning process in an interactive self-study program. Not all technology based self-study programs constitute interactive programs. Technology based self-study programs must meet the criteria set forth in the definition of interactive self-study programs, as must other self-study programs developed using different modes of delivery.

2. Self-study courses developed by or registered with the AICPA, NASBA, or a state society of CPAs are acceptable as continuing education.

3. CPE program developers shall keep appropriate records of how the recommended amount of credit for self-study programs was determined.

4. A recorded group program is considered as a group program only when a qualified instructor is available for interaction.

5. A group program that is recorded or archived by the sponsor for future presentations which does not include a qualified instructor available for interaction is considered a self-study program and must satisfy all the self-study requirements in order to be claimed as continuing education.

**C. Service as Lecturer or Speaker**

1. Credit for one hour of continuing professional education will be granted for each hour completed as a lecturer or speaker to the extent it contributes directly to the

individual's professional knowledge and competence and provided the program would qualify for credit under these rules. Credit for such service will be awarded on the first presentation only, unless a program has been substantially revised.

2. In addition, a lecturer or speaker may claim up to two hours of credit for advance preparation for each teaching hour awarded in §1309.C.1, provided the time is actually devoted to preparation.

3. The maximum credit allowed for teaching and preparation cannot exceed 20 hours of continuing professional education earned in a calendar year; excess hours in a calendar year cannot be used for CPE credit. Prior to January 1, 2016, the maximum credit for teaching and preparation, cannot exceed 50 percent of the three-year requirement under these rules.

D. Writing of Published Articles, Books, CPE Programs, etc.

1. Credit for writing published articles, books, and CPE programs will be awarded in an amount determined by a board representative provided the writing contributes to the professional competence of the certificate holder. The board and author may choose to mutually approve a third party representative. CPAs requesting a third party representative will be charged a fee; the fee is to be negotiated and agreed upon prior to the engagement.

2. The maximum credit allowed for preparation of articles and books cannot exceed 10 hours of continuing professional education earned in a calendar year; excess hours in a calendar year cannot be used for CPE credit. Prior to January 1, 2016, the maximum credit for preparation of articles and books cannot exceed 25 percent of the three-year requirement under these rules.

3. Credit, if any, will be allowed only after the article or book is published.

E. Committee Meetings, Dinner and Luncheon Meetings, Firm Meetings

1. Credit will be awarded for participation in committee meetings, dinner and luncheon meetings, etc., provided the program portion thereof meets the other requirements of these rules.

2. Credit will be awarded for firm meetings or meetings of management groups if they meet the requirements of these rules. Portions of such meetings devoted to administrative and firm matters cannot be included.

F. Completion of Board-Approved Exams

1. CPE credit may be allowed for the successful completion of exams as may be approved by the board from time-to-time.

2. Credit will be awarded one time only at a rate of 5 times the length of each exam passed (or exam section passed). The maximum credit allowed for the successful completion of board approved exams will be limited to 20

hours of continuing professional education earned in a calendar year; excess hours in a calendar year cannot be used for CPE credit. Prior to January 1, 2016, credit will be limited to 50 percent of the three-year requirement.

G. Board Approved Research and Other Programs

1. Credit may be granted from time to time on completion of specific research or programs as approved by the board.

2. Credits may be awarded upon demonstration of achieving an increased level of competency that contributes directly to the professional knowledge and competence of an individual certificate holder.

3. Evidence of completion of such programs or research must be provided in the manner required by the board for evaluation and approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:71 et seq.

HISTORICAL NOTE: Adopted by the Department of Commerce, Board of Certified Public Accountants, January 1974, promulgated LR 6:5 (January 1980), amended LR 11:757 (August 1985), LR 13:13 (January 1987), amended by the Department of Economic Development, Board of Certified Public Accountants, LR 15:615 (August 1989), LR 17:1068 (November 1991), LR 23:1117 (September 1997), LR 26:1978 (September 2000), amended by the Office of the Governor, Board of Certified Public Accountants, LR 34:2562 (December 2008), LR 41:1665 (September 2015).

### §1311. Maintenance of Records and Control

A. Participants in CPE programs shall retain the documentation of their participation in CPE programs for a period of five years after the end of the calendar year in which the program is completed. Participants in CPE programs shall also retain advance materials, which should include the requirements set forth in §1303.B.1, and other promotional material which reflects the content of a course and the name of the instructor(s) in the event the participant is requested by the board to substantiate the course content.

B. Acceptable evidence of completion includes, but is not limited to, the following:

1. for group programs, a certificate of attendance or other verification supplied by the sponsor which includes:

- a. sponsorship organization;
- b. name and signature of a sponsor representative;
- c. participant's name;
- d. location of course;
- e. title and/or description of content;
- f. dates attended; and

g. the qualifying hours recommended by the course sponsor;

2. for individual study programs, a certificate supplied by the sponsor after satisfactory completion of a workbook, an examination, or an interactive course that confirms the

## PROFESSIONAL AND OCCUPATIONAL STANDARDS

name of the sponsor, name and signature of a sponsor representative, participant's name, the title and/or description of the course contents, the date of completion and the qualifying hours recommended by the course sponsor;

3. for a university or college course that is successfully completed for credit, an official transcript reflecting the grade earned;

4. for instruction credit, evidence obtained from the sponsor of having been the seminar lecturer or speaker at a program in addition to the items required by §1311.B.1; and

5. for published articles, books, or CPE programs, evidence of publication;

6. for completion of exams, evidence of satisfactory completion and qualifying hours of length of exam taken.

C. Sponsors shall furnish a record of attendance or completion to participants, which includes the requirements set forth in §1311.B and retain same information.

D. Each sponsoring organization shall maintain records of programs sponsored which shall show:

1. that the programs were developed and presented in accordance with the standards set forth in §§1303-1305. If a program is developed by one organization and sponsored by another, the sponsoring organization shall not be responsible for program development standards and related record maintenance if:

a. it has reviewed the program and has no reason to believe that program development standards have not been met; and

b. it has on record certification by the developing organization that the program development standards have been met and that the developing organization will maintain the required records relative thereto.

E. The CPE program sponsor shall maintain records and information required under these rules for a minimum of five years after the end of the calendar year in which the CPE course was completed. Such information may be kept in electronic or paper form.

F. Records required under this rule shall be maintained for five years and shall be made available to the board or its designee(s) for inspection at the board's request.

G. Failure of a CPE program sponsor to comply with the CPE standards shall be cause for the board to deny credit for courses offered by the CPE sponsor until such time as the CPE sponsor can demonstrate to the board that the compliance standards are being met.

H. The board specifically reserves the right to approve or disapprove credit for all continuing education under this state board's rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:71 et seq.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Board of Certified Public Accountants, LR 6:6 (January 1980), amended by the Department of Economic Development, Board of Certified Public Accountants, LR 15:615 (August 1989), LR 23:1118 (September 1997), LR 26:1979 (September 2000), amended by the Office of the Governor, Board of Certified Public Accountants, LR 41:1666 (September 2015).